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SENSITIVE

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SUBJECT: TURKMENISTAN: DASHOGUZ FARMERS MAKE GOOD USE OF U.S.
ASSISTANCE

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¶1. (U) Sensitive but unclassified. Not for public internet.

SUMMARY

¶2. (U) During his July 25 meeting with USAID Deputy Assistant Administrator Drew Luten, Dashoguz Hakim [governor] Saparmyrat Ashyrov positively assessed USAID's contributions to economic development in Dashoguz welayat [province] and expressed a desire to continue current cooperation. In outlining the Government of Turkmenistan's massive plans for infrastructure projects in the welayat, he highlighted the importance placed by the government on improving rural livelihoods. He stopped short, however, of straying from the party line regarding the possibility of expanded trade relations with neighboring Uzbekistan. Recently appointed Deputy Hakim Shemshat Mamedova accompanied the delegation for the entire program of site visits to a USAID-funded agricultural support center, projects supported by USAID's Water Users' Associations program, and a USAID/Winrock-supported cheese producer. Her positive impressions of the activities, shared with the delegation at the end of the day, suggest continued official support in Dashoguz welayat for USAID's community-level activities. END
SUMMARY.

GOVERNMENT AND PRIVATE SECTORS GROWING IN PARALLEL

¶3. (U) Following USAID DAA Drew Luten's introduction of the delegation's goals and its desire to meet with officials in the welayats as well as the capital, Dashoguz welayat Hakim Saparmyrat Ashyrov offered his gratitude for their coming to Turkmenistan to promote economic development. He was familiar with USAID's "extensive experience," and looked forward to continuing the projects' "good results." The private sector was "growing in parallel" to the government sector, and 9,000 hectares (HA) of wheat, cotton, sorghum and fodder were now under private cultivation. The government leased 180,000 HA of cotton, 180,000 HA of wheat and 6,000 HA of rice on a long-term basis, and provided a full range of support, including access to "sturdy and durable" John Deere and Case tractors. Turkmenistan was reforming the agricultural sector under the president's direction with the goal of improving living conditions and increasing productivity.

¶4. (U) Noting the hakim's proud reference to the U.S. farm equipment being used in Dashoguz, Danica Starks of the Department of Commerce's International Trade Administration said that the DOC was ready to assist in increasing sales of American equipment, if the opportunity existed. She then introduced the Special American Business Internship Training (SABIT) program, which had increased its funding for Turkmenistani participants this year. Starks promised to provide information on the 2008 programs when the calls for applicants were announced.

"I'M NOT THE ONLY ONE EXCITED...THE PEOPLE ARE, TOO"

¶5. (U) In response to Luten's question about what Turkmenistan's new strategy for rural development meant for Dashoguz, Ashyrov replied that social welfare programs had already been underway for the past seven months, and the population was grateful for the President's efforts. He then listed some of the upcoming infrastructure projects to be undertaken in Dashoguz: a water purification plant, a maternity clinic/hospital, an agricultural

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institute, a sports stadium, a school for 600 students, a kindergarten for 160 kids, a thermal turbine electric station, two grain elevators, a flour mill, a recently completed asphalt plant to support ongoing highway construction, 30 new John Deere combines, and 100 Kamaz (Russian) trucks for road construction. All these projects were aimed at improving the lives of the people. "Very impressive," Luten responded. "Well, I'm not the only one excited...the people are, too," Ashyrov quickly added.

¶6. (SBU) Ashyrov was visibly uncomfortable when asked by EUR/ACE's Dean Fischer about the level of trade with nearby Uzbekistan. After a concerned look towards the Ministry of Foreign Affairs' notetaker, he referred to the recent meeting between President Berdimuhamedov and Uzbekistan's Islam Karimov at the June CIS summit in Russia, and said the two countries sought to pursue specific mutual benefits in the relationship. To the suggestion that Uzbekistan represented a potential new market for various Dashoguz products due to their proximity, Ashyrov said that that was a "higher level issue," even though they already imported Uzbek fertilizers and used Uzbek-produced heavy machinery.

¶7. (U) USAID Country Representative Ashley Moretz thanked the hakim for his ongoing willingness to meet with a variety of U.S. delegations. It was important for the delegation to see the results of our joint efforts. USAID looked forward to sharing information with the hakim about its new Community Empowerment Program (NOTE: Known in Russian as "MIR," short for Local Initiatives for Development. END NOTE.), as implementing partner Counterpart expanded on its past activities. Also, when IREX's Internet Access and Training Program (IATP) opened its new branch in Dashoguz, Moretz asked for support in ensuring that the local partner received an internet account.

TAGT COOPERATIVE: PROVIDING AGRICULTURAL SUPPORT TO LOCAL FARMERS

¶7. (U) After the meeting with the hakim, the delegation traveled to the agricultural cooperative "Tagt" in Gerogly etrap. Founded in 1997 with support from the German technical cooperation agency GTZ, Tagt partnered with Counterpart International in 2006 to implement

USAID's Water-User Association assistance program in Dashoguz welayat. Through this project, Counterpart International provided an 8-month institutional grant to establish an Agricultural Support Center on the cooperative's base with the goal of strengthening the capacity of Farmer Organizations in Dashoguz welayat and increasing farmers' income. The delegation heard a presentation on the group's history and recent activities, and met a Winrock Farmer-to-Farmer volunteer on assignment in Dashoguz to increase local knowledge on marketing pasta products.

ZAHMET: NEW FLOUR MILL IMPROVES QUALITY AND YIELD

¶18. (U) The delegation next visited the "Zahmet" farmers' group in Goyunly village. First organized in 1992, twelve families belong to "Zahmet," which collectively have five HA of private, backyards plots used to cultivate wheat, in addition to 42 HA of land rented from the state. Four people work at the plant: two at the flourmill and two in the group's new pasta-producing facilities. The Tagt Agricultural Support Center assisted the farmers' group to get a grant of \$1,300 for the flourmill facility and \$1,000 for the pasta equipment. Existing local mills, the nearest of which was old, had

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low productivity and was more than six kilometers away, were not able to process all the farmers' wheat. The project assisted with building a small mill and installed pasta-making equipment that has increased flour yield and quality.

GOKDEY: CLEANED DRAINAGE CANALS DOUBLE YIELDS

¶19. (U) Traveling to Boldumsaz etrap, the delegation met with the Garashsyzlyk farmers' organization, whose productivity had decreased considerably due to the gradual choking of its drainage canals over time. The project's grant assisted with cleaning 11 kilometers of drainage canals and increased farmers' access to water resources. The productivity of another nearby group, Gokdey, decreased from 50 to 15 centners per hectare due to problems associated with irrigation of their land. The group used their grant to clean 1,000 meters of the drainage canals, build 1.3 kilometers of electrical line, and install a water pump and power transformer. These combined improvements resulted in doubled yields from their wheat crops in the first year alone. Yields are expected to continue to increase as the local water table further drops due to the improved drainage.

WINROCK SUPPORTS TURKMENISTAN'S LEADING PRIVATE CHEESE PRODUCER

¶10. (U) The Chowdurbayev family started its private dairy business in 1999 in Gubadag etrap, about 30 kilometers from Dashoguz city. Mr. Chowdurbayev, a 2001 participant in the U.S. Department of Agriculture's Cochran Fellowship program, originally produced 30-40 kg of cheese per week with six employees, but has expanded to current production levels of 100 kg of cheese per day that is manually packed via vacuum machine and transferred by air to Ashgabat.

¶11. (U) In 2004, the host's cheese started to mold during production due to the lack of preservative coating, which resulted in significant financial losses. The plant also faced difficulties with storage and promotion of finished commodities. After being approached by Winrock Turkmenistan regarding potential assistance, "Farmer-to-Farmer" (FTF) volunteer-experts helped the host to improve their cheese production and marketing skills which resulted in almost doubling of its sales. Volunteer-experts also helped to develop a new logo and labels for the host's cheese products. Further support assisted the employees of the cheese plant to adequately reduce the cheese processing time, thus saving time and electricity, improving the cheese's body and increasing yields. Based on his success, Mr. Chowdurbayev now plans to build a second plant in another milk-producing district of the welayat due to strong demand in Dashoguz welayat and Ashgabat markets.

COMMENT

¶11. (U) USAID assistance in Dashoguz welayat is having a tangible impact on people's livelihoods. Welayat Hakim Ashyrov readily

acknowledged this point during his meeting with the delegation and expressed his desire to see the cooperation continue. Being assigned by the hakim to accompany the delegation for the entire visit was a good opportunity for his deputy, who admitted over lunch that she was already familiar with USAID's health programs supporting the introduction of family medicine from her previous post in Ashgabat, to see firsthand the scope and reach of the

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programs across the welayat. While waiting for the delegation's flight to return to Ashgabat in the airport's VIP lounge, both she and the Ministry of Foreign Affairs notetaker shared their positive impressions of the various projects, which bodes well for local-level government support for future such activities in the welayat.

¶12. (U) COMMENT CONTINUED: That the beneficiary groups the delegation visited spoke positively of their relations with local governments, how the projects had helped them to better understand their respective roles in a democratic society, and their ambitious goals for the future demonstrated the positive results of the community-based approach to development adopted after the NGO law passed in 2003 led USAID to shift its approach away from more traditional NGO registration and organizational development activities. Both USAID's new Community Empowerment Project and AgLinks projects are well positioned to build on these activities by supporting local economic development initiatives in rural areas.
END COMMENT.

¶13. (U) DAA Luten has cleared this cable.

HOAGLAND